

**The Honorable Peter J. Visclosky
Ranking Member, Defense Subcommittee
House Committee on Appropriations**

**Testimony
Joint Select Committee on the Budget
June 27, 2018**

Chairman Womack and Chairwoman Lowey, thank you for the opportunity to submit my testimony. I appreciate the effort that you and the other Members of the Select Committee are undertaking.

As you know, managing the budget and appropriations is one of Congress's fundamental responsibilities as enumerated in the Constitution. President Franklin Roosevelt once stated that "it is the duty of the President to propose and it is the privilege of the Congress to dispose." While I grew up in a neighborhood in which many homes had a portrait of FDR on their wall, I have to disagree with our 32nd President. I believe it is the privilege of the President to propose and the duty of the Congress to dispose. And our timeliness and quality in the disposition of that duty dictates how well our country will run.

Specific to the House Appropriations Committee, I am proud of our traditional bipartisan approach to ensure funding is properly and reliably *allocated* and *spent* consistent with the will of the American people. Our oversight is vital in safeguarding the responsible management of our nation's hard-earned taxpayer dollars.

As the Ranking Member on the Appropriations Subcommittee on Defense and a long-time member of the Subcommittee on Energy and Water, my colleagues have heard me go on for some length describing my concerns that Congress has become unable to enact appropriations bills anywhere close to the start of the fiscal year.

However, I do not believe this means our budget and appropriations process is broken. Instead, it shows what happens when we avoid making decisions in a disciplined fashion as

allowed under current House rules. We continue to defer action because some of my colleagues don't want to make tough choices and others simply scorn those in the public service.

Today, special procedures, budget gimmicks, and political theater are used to advance partisan goals instead of engaging in honest debate and difficult compromise. Further, we consume ourselves in *temporarily* putting aside misguided laws like the Budget Control Act (BCA). Multiple Congresses have somehow managed to alleviate the BCA caps for seven of its eight years, but those fixes only occurred after severe disruption. The penalties of not alleviating the caps, namely government shutdowns and sequestration, have proven to be ineffective in keeping our discipline and timeliness. Unless another BCA fix is crafted, we will see a major reduction in discretionary funding in fiscal years 2020 and 2021. Rather than permanently fix the terrible BCA, we have created a "new normal" of gridlock and disruptive temporary measures, like continuing resolutions (CRs), because we are so short-sighted and eager for political wins.

I take this manufactured unpredictability very seriously. We know this is a major obstacle to the effective planning and execution of vital programs, not only for our federal agencies, but also for our state, private sector, and international partners.

Some would point to the use of 2-year deals, like the multiple Bipartisan Budget Acts of the past half-decade, as proof that the annual budget and appropriations process should transition to a 2-year cycle. However, I would argue that moving to a biennial budget does not actually fix the root cause of our unpredictable funding timelines, but creates severe risks to good governance.

As it has become Congress's habit to only pass bipartisan legislation on the eve of a governmental crisis, our problems do not lessen if we are just going to drag our feet for two years instead of one. Agencies already tell us how hard it is to execute funds when they receive appropriations five months late. How much do we solve if we move to 2-year appropriations process wherein funding allocations are 13 months late? Creating a more drawn-out process will

not guarantee Congress will stick to timelines, but would just give us more time to fill with more off-cycle requests.

Take for example the FY 2018 Defense Appropriations bill, which the House voted on five times from July to March for political theater. While those scripted votes occurred, the Department of Defense (DoD) was forced to find ways to mitigate the effects of five CRs and a government shutdown. Though comparably painless to Congress, these events wreaked havoc on the DoD. Planned National Guard exercises, which affected over 102,000 servicemembers, had to be cancelled, forcing DoD and civilian employers to try to find ways to make up this training. There is nothing in the current rules that “make” this happen except an absence of a little intestinal fortitude.

The FY 2018 Omnibus, enacted in March 2018, contained provisions to allow limited flexibility to DoD in expending funds that were severely impacted by the very late enactment. However, these fixes do not even come close to replacing the carefully crafted spending plans that involve servicemembers, their families, military equipment, and civilians which all contribute to our national security. To paraphrase my friends at the DoD, this is readiness that cannot be bought back.

Again, some may argue that episodes like these could be avoided by providing funds up front for a longer appropriations horizon. However, this perspective forgets that our oversight responsibility must be timely and constant. By reducing the required interactions between Congress and the executive branch agencies, we sacrifice the most up-to-date and accurate information about how American taxpayer dollars are spent, making it even more difficult for us to assess whether we are spending money appropriately.

By lessening this type of communication, we would effectively reduce the influence of Congress in the appropriations and oversight process. For example, this year has brought several executive branch trade enforcement changes, including tariffs on steel and aluminum. These actions have resulted in unexpected workloads for several agencies. Both the House and Senate Appropriations Committees have been in constant contact regarding resources that are needed to

effectively manage these changes. Regardless of your position on the tariffs, we can all agree that effective management of policy changes is key to the daily functioning of our government. By adopting a biennial deal, Congress would willingly relinquish their management responsibilities *specified* under the Constitution.

Further, willingly accepting less frequent information would increase errors in budgeting and deficit projections. Without timely information, a fear of underfunding would encourage many to give agencies more freedom and greater discretion over even larger pots of money.

For those who still believe in Congress's key role in oversight, our recourse should be to draft appropriations bills as we have historically done – with a seriousness of purpose and by maintaining the efficiency that a 1-year deal brings.

We can solve the “Budget Problem” if we approach the appropriations process in a serious manner, if we finally come together to meaningfully address entitlements that now consume two-thirds of our budget, and recognize – as my home state has – that a reasonable amount of new revenue is necessary if we are to truly invest in the future of our nation. No rule prohibits this from happening today – only a lack of will.

In closing, I would point out that in 2010, Congress fundamentally changed how it approached the budget. However, the intervening eight years have proven that rule changes do nothing absent a commitment to govern in a sober, deliberative, and well-intentioned fashion.

I encourage this committee to consider the root causes of the problems we face in today's budget and appropriations process. I agree that we must find a solution to have a timely and responsive process, but we should not do so at the expense of the responsibilities specified to us in the Constitution.

Thank you.